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City



San Francisco

## OFFICE OF THE CONTROLLER

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### OFFICE OF THE CITY ATTORNEY:

Claims Revolving Fund

January 1, 1998 through September 28, 1999

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Audit Number 99017

December 13, 1999



**City and County of San Francisco**  
**OFFICE OF THE CONTROLLER**

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**OFFICE OF THE CITY ATTORNEY:**  
Claims Revolving Fund  
January 1, 1998 through September 28, 1999

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Edward Harrington  
Controller

December 13, 1999

Louise Renne, City Attorney  
Office of the City Attorney  
City Hall, Room 234  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4676

Dear Ms. Renne:


The Controller's Audits Division presents its report concerning the audit of the claims revolving fund of the Office of the City Attorney (City Attorney). The City Attorney uses the revolving fund to make payments for claims and judgment against the City of \$25,000 or less.

**Reporting Period:** January 1, 1998 through September 28, 1999**Authorized Amount:** \$100,000**Results:**

- As of September 28, 1999, the fund balance exceeded the amount authorized in the San Francisco Administrative Code by \$2,988.82. Furthermore, the City Attorney no longer uses the revolving fund because it pays claims and judgments through direct payments. The City Attorney should request the Board of Supervisors amend the Administrative Code to eliminate the fund.

The Controller's Audits Division will be working with the City Attorney to follow up in six months on the status of the recommendation made in this report.

Respectfully submitted,

  
EDWARD HARRINGTON  
Controller



# INTRODUCTION


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The Board of Supervisors of the City and County of San Francisco (City) appropriated a cash revolving fund of \$100,000 to the Bureau of Investigations and Claims Administration of the Office of the City Attorney (City Attorney). According to the San Francisco Administrative Code (Administrative Code), 10.20-9 and 10.22-2, the City Attorney may pay and settle any claim and judgment against the City if the amount does not exceed \$25,000. The City Attorney uses the revolving fund to make payments for claims and judgments against the City of \$25,000 or less.

## SCOPE AND METHODOLOGY

The purpose of this audit was to determine whether the City Attorney's revolving fund assets agreed with the amount authorized in the Administrative Code and recorded in the Controller's Financial Accounting and Management Information System (FAMIS). We also determined if the City Attorney correctly administered and used the revolving fund. In addition, we assessed whether the internal controls over the fund were adequate.

To conduct the audit, we reviewed the applicable provisions in the Administrative Code and the Controller's Departmental Instruction No. 1052. We evaluated the City Attorney's procedures for recording, summarizing, and reporting revolving fund transactions. We also tested the City Attorney's revolving fund transactions during the audit period to determine whether the transactions were proper and valid.



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# AUDIT RESULTS

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## THE CITY ATTORNEY'S REVOLVING FUND EXCEEDED ITS AUTHORIZED AMOUNT

**A**s of September 28, 1999, the City Attorney's revolving fund balance exceeded the amount authorized in the Administrative Code by \$2,988.82. This occurred because the City Attorney had received reimbursements from the Controller's office for two revolving fund checks totaling \$2,736.82 which had never been cashed. In addition, there was an unexplained excess of \$252. We also found that the City Attorney's authorized fund amount of \$100,000 was correctly recorded in FAMIS. For the period from January 1, 1998 through September 28, 1999, the City Attorney used the fund within its intended purpose and the expenditures made by the City Attorney were valid and properly supported. However, the City Attorney has not used the revolving fund since July 9, 1998. According to the City Attorney's chief financial officer, the department now pays claims and judgments through direct payments using on-line FAMIS.

## RECOMMENDATION

We recommend that the City Attorney request the Board of Supervisors to amend the Administrative Code to eliminate the claims revolving fund. If authorized to close its revolving fund account, the City Attorney should return the balance of \$100,000 plus the excess funds of \$2,988.82 to the Controller.

We conducted this review according to generally accepted government auditing standards. We limited our review to those areas specified in the audit scope of this report.

Staff: Maureen Gannon, Audit Manager  
Renato Pascua



**RESPONSE TO THE AUDIT**  
**OFFICE OF THE CITY ATTORNEY**





LOUISE H. RENNE  
City Attorney

December 9, 1999

Edward M. Harrington, Controller  
City & County of San Francisco  
1 Dr. Carlton B. Goodlett Place, Room 316  
San Francisco California 94102

RE: Controller's Audit of the City Attorney Claims and Judgments Revolving Fund

Dear Mr. Harrington:

Thank you for sending me the report of your audit of our claims and judgments revolving fund covering the period from January 1, 1998 through September 28, 1999. We are pleased to learn, as we anticipated, that you found that we used the fund within its intended purpose and that the expenditures were valid and properly supported.

We concur with your recommendation for eliminating the fund. We will request that the Board of Supervisors amend the Administrative Code and, when authorized, we will close the account and return the funds to the Controller.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Louise H. Renne", followed by the word "for" in a smaller, cursive script.

Louise H. Renne  
City Attorney

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CITY HALL • 1 DR. CARLTON B. GOODLETT PLACE • ROOM 234 • SAN FRANCISCO, CALIFORNIA 94102  
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cc: Mayor  
Board of Supervisors  
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